

NEWS RELEASE



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**Department of Commerce and Insurance
Commissioner Leslie Newman**

FOR IMMEDIATE RELEASE
Dec. 15, 2008
#08-46

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TENNESSEE, 38 OTHER STATES REACH \$12 MILLION SETTLEMENT WITH TOY MAKER MATTEL RESOLVING LEAD PAINT INVESTIGATION

Tennessee Attorney General Bob Cooper has filed an agreement on behalf of the Tennessee Division of Consumer Affairs to settle a 16-month investigation into the events that resulted in a voluntary recall of toys by one of the country's leading toy makers because of allegations it was selling toys containing excess lead paint.

The settlement with 38 other states filed against Mattel, Inc. and its subsidiary Fisher-Price, Inc. resolves a 16-month investigation into the events that resulted in a voluntary recall of the company's toys for excessive lead paint during 2007. The agreement requires Mattel to make a payment of \$12 million by Jan. 30, 2009 to be divided among the participating states.

"This settlement comes at a critical time when more consumers will buy toys for the holidays than at any other time of the year.," Attorney General Cooper said. "We hope this will serve as a key reminder to keep safety in mind when buying toys for children."

From Aug. 2, 2007 through Oct. 25, 2007, the United States Consumer Product Safety Commission ("CPSC") recalled approximately 2 million Mattel and Fisher-Price toys manufactured in China, alleging that the toys contained excessive lead paint coatings. At the time of the recalls, the CPSC standard permitted for lead in accessible surface coatings was 600 parts per million. Lead levels taken of the recalled toys during the course of the states' investigation uncovered that levels not only exceeded the federal standard, but in some instances, tested over 10,000 ppm and 50,000 ppm.

As part of the recall, consumers have the right to return the recalled items to Fisher-Price or Mattel to receive a free replacement toy of equal value. If anyone has been injured by these toys, this settlement will not affect anyone's legal remedies for damages they might have incurred. For information on how to return toys, go to the Mattel website at <http://service.mattel.com/us/recall.asp>.

The agreement reached by the Attorneys General includes more stringent standards for lead in toys manufactured after Nov. 30, 2008. Since the Attorneys General first contacted Mattel in August 2007, Congress has enacted the Consumer Product Safety Improvement Act ("CPSIA") which now provides more stringent standards for lead in toys starting in February, 2009. Mattel has agreed with the Attorneys General to phase in more stringent standards ahead of the timelines provided by the CPSIA. Mattel has also agreed with the Attorneys General to notify them if it confirms excessive lead in any of its products in violation of state or federal law, or the Consent Judgment, and to work with the Attorneys General to remedy such violations.

Tennessee will receive \$239,000 as its part of the multistate settlement.